



APRIL 18, 2006

TERRORISM

Saudi security forces arrest 5 militants linked to Abqaiq attack

Saudi security forces have arrested five militants in connection with the failed February 24 attack on the Abqaiq oil facility, the Ministry of Interior said in a statement April 18.

The arrests were made during a follow-up operation to earlier raids. At the militants' hiding place in Riyadh, security forces seized items including: 123 bags of explosives weighing more than one and a half tons; three cars and forged license plates; 16 hand guns; 5 machine guns; 3 rifles; assorted ammunition; communications devices; documents; cameras; a computer; and 2 video cameras.

Security forces also seized a number of videotapes. Footage showed militants making explosives using different tools, wiring the two cars that were used in the Abqaiq attack with explosives, and driving the cars to the Abqaiq facility where they carried out their attack.

The investigation remains ongoing, the statement added.

Last week, Interior Minister Prince Nayef confirmed that non-Saudis were involved in the Abqaiq attack.

ENERGY

Saudi Ambassador discusses oil issues in Bloomberg interview

Saudi Ambassador to the US Prince Turki Al-Faisal expressed concern about the damage to the world economy from high oil prices in an interview April 17 with Bloomberg's Michael McKee on "Marketline."

"We have worked assiduously over the years to try to maintain an acceptable pricing for that very important commodity that suits not only the producers, but also the consumers," Prince Turki said.

Prince Turki said that current high oil prices are the result of a combination of factors, including high demand in China and India, a robust US economy that is consuming more oil, a shortage in refining capacity, instability in the region and surcharges put by insurance companies on oil shipments.

Asked if Saudi Arabia was concerned about the Iranian nuclear crisis and its possible impact on oil prices, Prince Turki responded that the Kingdom has long called for a region free of all weapons of mass destruction – nuclear, chemical and biological.

In the event Iran withholds oil supplies from global markets, the ambassador replied, "We are producing at maximum capacity now. We have a program set in motion to increase our production from 10 million to nearly 12.5 million within four years, and hopefully, we can achieve that in the allotted time. But tomorrow we will definitely work with the world community to try to maintain stable prices for oil."

New gas field discovered north of Dhahran

Minister of Petroleum and Mineral Resources Ali Al-Naimi announced that Saudi Aramco has discovered a new gas field in Saudi territorial waters of the Arabian Gulf. Al-Naimi said that on April 15, gas began flowing out of the Karan well, which is located around 99 miles north of Dhahran. The capacity of the well is currently an average of 40 million cubic feet per day of gas, and is expected to increase to 80 million cubic feet per day.

Five contracts signed to expand oil production at the Shaybah field

In a boost to Saudi Aramco's efforts to increase crude oil production, five major contracts have been signed to expand crude oil production at the Shaybah field, the national oil company announced April 12. The Shaybah field is one of the Kingdom's most remote, located about 373 miles from Abqaiq in the Empty Quarter.

Contracts were signed with Canada's SNC-Lavalin, Hyundai Heavy Industries of South Korea, and the Saudi companies Energy and Power Contracting Co., Haif Co. and Ahmad Al-Binali and Sons.

